

Ref: 2015-023

3 August 2015

To : The President of the Stock Exchange of Thailand

Subject : Submitting the Interim Consolidated Financial Statements for the three months and six months period ended 30 June 2015 and 2014.

We hereby report the Interim Consolidated Financial Statements of Precious Shipping Public Company Limited and Subsidiaries (“the Company”) reviewed by Auditors, for the three months and six months period ended 30 June 2015 and 2014 together with the summarized operating results (Form 45-3). The reasons for changes in the operating results are explained below.

For the three months period ended 30 June 2015, the Company has incurred a consolidated net loss of Baht 402.57 million as compared to a net loss of Baht 52.76 million incurred during the same period in 2014. The main reasons for changes are as follows:

1. The absolute Net Vessel Operating Income (Vessel Operating Income net of voyage disbursements and bunker consumption) for the second quarter of 2015 has decreased by about 23 percent as compared to the same period of 2014 mainly due to the decrease in the average earnings per day per Vessel from USD 8,687 in the second quarter of 2014 to USD 5,757 in this quarter as a consequence of the severely prolonged weakness in the dry bulk shipping sector (with the Baltic Dry Index reaching the lowest point in its long history earlier this year), which has perpetuated through the first half of 2015, in spite of the fact that an average of about 46 vessels were operated during the second quarter of 2015 as against an average of 40 vessels operated in the same period of 2014. The fleet size as on 30 June 2015 is 45 vessels.
2. For the second quarter of 2015, the absolute Vessel running expenses are higher by 13 percent as compared to the same period of 2014 mainly due to the higher number of ships operated during the quarter as explained above. However, the average Vessel operating expenses per day per Vessel or Opex (including depreciation/amortisation of Drydocking/Special Survey expenses) have decreased from USD 4,769 in the second quarter of 2014 to USD 4,625 in this quarter.
3. The depreciation for the second quarter of 2015 is higher by Baht 57.83 million as compared to the same period of the previous year due to the higher number of vessels operated during the quarter.

4. The Company recorded exchange losses of Baht 31.83 million for the second quarter of 2015 mainly due to the depreciation of the Thai Baht against the US Dollar, which resulted in a loss on translation of cash balances in Thai Baht (from the proceeds of the Company's recent rights offering) to US Dollar functional currency of the Company.

For the six months period ended 30 June 2015, the Company has incurred a consolidated net loss of Baht 738.26 million as compared to net profit of Baht 86.87 million earned during the same period in 2014. The main reasons for changes are as follows:

1. The absolute Net Vessel Operating Income (Vessel Operating Income net of voyage disbursements and bunker consumption) for the first half of 2015 has decreased by about 24 percent as compared to the same period of 2014 mainly due to the decrease in the average earnings per day per Vessel from USD 8,972 for the first half of 2014 to USD 5,914 for the same period due to the reason as explained above, in spite of the fact that an average of about 45 vessels were operated during the first half of 2015 as against an average of 40 vessels in the same period of 2014.
2. For the first half of 2015, the absolute Vessel running expenses are higher by 13 percent as compared to the same period of 2014, mainly due to the increase in number of ships operated during the quarter as explained above. However, the average Vessel operating expenses per day per Vessel or Opex (including depreciation/amortisation of Drydocking/Special Survey expenses) have decreased from USD 4,703 in the first half of 2014 to USD 4,629 in the same period of 2015.
3. The depreciation for the first half of 2015 is higher by Baht 110.42 million as compared to the same period of the previous year due to the higher number of vessels operated during this period.
4. The Company recorded exchange losses of Baht 30.55 million in the first half of 2015 as explained above.

Please be informed accordingly.

Yours sincerely,
Precious Shipping Public Company Limited

Khalid Moinuddin Hashim
Managing Director

Khushroo Kali Wadia
Director